

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1150 Author:(Schultz)

As Amended Ver:May 20, 2025

Majority vote

SUMMARY

Increases the cap on the alternative customer facility charge (CFC) – a fee collected from airport rental car patrons – from \$9 to \$12; allows for CFC revenue to be used for major maintenance of rental facilities; and clarifies that alternative CFC revenue may be used for any purpose that bond proceeds backed by such revenues may be used.

Senate Amendments

Make a conforming change to clarify maintenance financed by CFCs must be major.

COMMENTS

A CFC is a fee airports may require car rental companies to collect from renters in order to subsidize costs associated with vehicle rental facilities, common-use transportation systems, and related terminal modifications. Funds from these charges have enabled airports to consolidate rental facilities in central locations that allow for more efficient transportation, return, and fleet maintenance, reducing traffic and the overall footprint of facilities formerly scattered across the airport vicinity.¹ Such projects have been undertaken at several airports, including LAX and SFO.

CFCs were initially authorized in the late 1990s for a few airports before being expanded to all commercial airports in 2001.² The CFC is capped at \$10 and is imposed on a per-contract basis. In 2010, recognizing this amount was insufficient to fund some proposed consolidated facilities, the Legislature authorized an "alternative" CFC of \$6 per day for up to five days.³ That amount increased statutorily to \$7.50 per day as of January 1, 2014, and to the current \$9 per day as of January 1, 2017.⁴ As a result, a renter can be charged up to \$45 for a rental from an airport that uses the alternative CFC, compared to \$10 at an airport that uses the standard CFC. According to the sponsors, LAX, San Diego, San Jose, and Palm Springs airports are the only airports currently charging the full amount of the alternative CFC, with several others charging less.

In order to impose the alternative CFC, an airport must hold a public hearing to review the need for the fee, complete an audit before collecting the fee and every three years thereafter, and make certain disclosures relating to the need, collection, and use of the fee. Any bonds backed by fee proceeds can be used only for construction and design of consolidated rental vehicle facilities, terminal modifications, and operating costs of common-use transportation systems.

¹ See generally "Burbank-Glendale-Pasadena Airport Authority: Schedule of Customer Facility Charge Revenues and Expenditures" (2019), p. 5, <https://www.hollywoodburbankairport.com/wp-content/uploads/2020/02/BGPAA-Customer-Facility-Charge-2019-Final-Report.pdf>.

² AB 491 (Frommer); Chapter 661, Statutes of 1991.

³ SB 1192 (Oropeza); Chapter 642, Statutes of 2010.

⁴ *Ibid.*

According to the Author

With California preparing to host major international sporting events in the coming years, our airports will face unprecedented demand, welcoming millions of visitors. To provide a positive experience for these travelers and uphold the state's reputation as a world-class destination, we must invest in maintaining sound infrastructure and creating efficient, future-ready facilities.

AB 1150 is a critical step toward ensuring California's airports have the necessary resources to maintain and improve their infrastructure. By increasing the maximum daily user fee for airport rental car customers to \$12 . . . this bill allows airports to address urgent maintenance needs, enhance safety measures, and modernize facilities to meet future demands.

Arguments in Support

California Airports Council, the sponsors of the bill, write:

Since 2010, the CFC cap has remained unchanged despite rising costs for airport infrastructure, maintenance, and operations. Increasing the CFC to \$12 will allow our airports to maintain safe, modern rental car facilities, enhance essential features like elevators, escalators, and HVAC systems, and prepare for upcoming global events such as the 2026 FIFA World Cup, the 2028 Summer Olympics, and two Super Bowls. These upgrades help ensure smooth, efficient travel experiences for athletes, media, and visitors.

Equally important, this legislation minimizes the impact on everyday Californians. Because the CFC applies only to airport rental car transactions—and most rentals last only three days—this change will help maintain world-class airport facilities without broadly raising costs for all Californians.

The County of Sacramento writes:

The current CFC rate of \$9 per rental transaction day has been maintained under California law since 2016. This static rate has not kept pace with inflation and the increasing costs of operating or constructing rental car facilities. As a result, the CFC has become outdated and insufficient to fully fund essential projects, including the planned consolidated rental car facility at SMF. AB 1150 proposes to increase the CFC to \$12 on January 1, 2026, ensuring that our facilities remain adequately funded and continue to meet the needs of our customers and communities for years to come.

Arguments in Opposition

None on file.

FISCAL COMMENTS

As currently in print, this bill is keyed nonfiscal.

VOTES:**ASM PRIVACY AND CONSUMER PROTECTION: 12-1-2**

YES: Dixon, Berman, Bryan, Irwin, Lowenthal, Macedo, McKinnor, Ortega, Pellerin, Petrie-Norris, Ward, Wilson

NO: DeMaio

ABS, ABST OR NV: Bauer-Kahan, Patterson

ASSEMBLY FLOOR: 66-1-12

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bennett, Berman, Boerner, Bonta, Bryan, Caloza, Carrillo, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO: DeMaio

ABS, ABST OR NV: Bains, Bauer-Kahan, Calderon, Castillo, Chen, Patterson, Petrie-Norris, Celeste Rodriguez, Sanchez, Soria, Ta, Tangipa

SENATE FLOOR: 36-0-4

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Dahle, Jones, Seyarto, Strickland

UPDATED

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